



# **SINGLE STOCK FUND**

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## **Review of SSF GOWG Decisions**



# SINGLE STOCK FUND

## ***Background:***

- 1st Phase of SSF (MS1) encompasses current AWCf Stock at the depots, installation DOL, Corps Rx
- 1st Phase scheduled for Implementation FY01 (Adjusted by SSF GOWG, Dec 98, from FY00 to FY01)
- 2nd Phase of SSF (MS2) encompasses O&M Retention Boxes
  - Campaign Plan calls for FY01 Implementation
- December SSF GOWG did not adjust Milestone 2 date when Milestone 1 was adjusted from FY00 to FY01

## ***Issue:***

- Request for Decision on Milestone Consolidation Presented to the 30-31 Mar 99 GOWG



# **SINGLE STOCK FUND**

## **- What are the Key Enablers to Implement Milestone 2 in FY01? -**

**Credit/Prices:** Adjustment for Increased Inventory & Sales as a result of moving Corps & Theater O&M Retention Stocks into SSF

**Resource Tail - O&M Retention Stocks:** Consistency with RFG - Identification of Supply & Maintenance Resources that support Retention Stocks

**Information Technology:** What are the IT complexities associated with Milestone 2?

**Policy:** Capitalization of corps and theatre retention stocks in AWCF  
All GS/RX repair is AWCF  
Stay within credit authority (Schedule 3) for the FY 00 budget

**Shared Risk:** Compensation for Reduced Flexibility



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## ***Policy Enablers to Merge Milestones***

- Would require direction from DA DCSLOG and ASA (FM&C) to capitalize inventory (transfer from O&M to AWCF) and execute the Campaign Plan
- GS/RX AWCF Maintenance -- Restate Policy
- Stay within credit authority (Schedule 3) for for the FY 00 budget
- DRMO policy-No withdrawing from DRMO

Who	When
ASA(FM&C) & DCSLOG 1999	NLT May 30,
DCSLOG	Summer 1999
ASA(FM&C) in co-op with MACOMs	NLT BES Lock
DCSLOG	In Staffing



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**Addressing Shared Risk:** Several initiatives to address reduced flexibility due to elimination of Retail Stock Funds

	99	00	01
* Increased BASOPS SPT	89 % %	95 %	95
* Increased RPM	64 % %	77 %	78
* Elimination of TRM Z Lines to account for loss of flexibility	□□□□□ ✓  □		
* Proposed price reduction to offset loss of retention inventory	□□□ ? □□□□□□ ? □		
* Automatic RPI consideration for all items with 0% credit			



# SINGLE STOCK FUND

## - *Approved Actions* -

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- Combine MS 1 and MS 2 and implement on 1 Oct 00
- Adjust the stock, store and issue related manpower in the BES, if necessary
- Move forward with the required policy changes



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Backup Slides





# SINGLE STOCK FUND

## **Credit/Price: What are the Options?**

- Re-run NSN-by-NSN credit values to revise what is/is not creditable

or

- Adjust prices to reflect increased sales volume

### **AMC Position?**

- Adjust prices in consonance with expected procurement & repair offsets (Use AMSAA analysis as projection of expected benefits (Mar 99)).

- Rationale To adjust credit would cause a “one-time” O&M spike that will level out with time. This approach precludes a one time spike in OPTEMPO requirements.

**For the  
BES**

- Timeline AMC would recalculate prices, Run OSMIS/TPM to meet BES timelines - Input NLT May

Use GOWG as decision forum (30-31 March)

**Addressing  
the Shared  
Risk**





# SINGLE STOCK FUND

## ***Retention Stocks*** Implementing MS2 is less complex than Milestone 1

- MS1 - - □ 85 AWCF SARSS Boxes
- MS2 - - □ 30 Retention Boxes
- MS3 - - □ 265 AWCF Boxes

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Total □ 380 Boxes

- **No Financial Conversion Required since Financial Inventory Accounting (FIN) not required in O&M**
- **Stock can be “picked up” - capitalized into AWCF-SMA**

### **Issue: Inventory of O&M Stock Required**

#### **FIA**

Use of a formal accounting system to integrate required quantitative stock record and monetary accounting (chpt. 16 DEAS Ind Reg 37-1)



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## ***O&S Resource Table*** **Do we transfer support resources to manage retention stocks?**

### **Issues**

efforts

Did not ask for MS 2 data in RFG  
Field will contend large retention stock  
resourced with "savings"

### **What are the Options**

supply data to Army  
use to make resource  
adjustments, if necessary, in the BES

Field provided additional  
March 99. Could

Issue is Size  
of FMMC,  
Europe  
Operation -  
Fixed MPR  
for the  
Operation

and Europe

Leave resourcing As Is - O&M retention  
boxes not a big issue; FMMC  
stocks not significant

Use RFG & FY 01 BES Instructions for data  
to assess situation--change BES

### **AMC Position** in

Leave resourcing as is for FY01; Address  
FY02 POM would require MOA/MOUs/or  
Policy Direction from DCSLOG



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**Information Technology** The difficult issues are in Milestone 1 & 3.

Milestone 1	Milestone 2	Milestone 3
<ul style="list-style-type: none"><li>• Systems Changes</li><li>• Middleware Development</li><li>• Business Rules for “fixed” Stocks</li><li>• Financial Conversion Requirements</li></ul>	<ul style="list-style-type: none"><li>• Same</li><li>• Same</li><li>• Same</li><li>• None Required.</li></ul>	<ul style="list-style-type: none"><li>• Deployable Issues Expanded</li><li>• Business Rules</li><li>• Large Fielding Requirements</li><li>• Communications Requirements May Increase</li><li>• May need Additional Systems Changes</li></ul>

**Bottom Line:** Automation Issues Not the “Long Pole In The Tent”



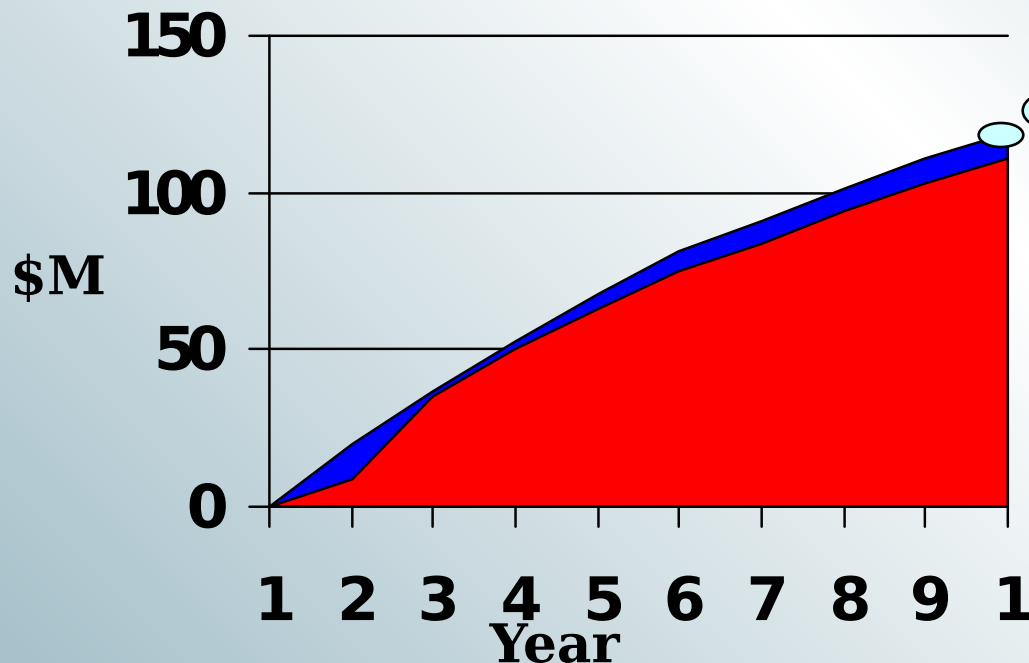
# SINGLE STOCK FUND

## Savings from Concurrent SSF

MS1/MS2

**Cumulative Savings\*\* for Procurement & Repair Offsets from Redistribution of Assets Above RO**

*(holding costs and optimal RO not considered)*



Concurrent MS1/MS2  
Increases Savings by  
\$8M

SSF MS1 Assets\* =  
\$96M

SSF MS2 Assets =  
\$108M  
Concurrent

MS1 w/ MS2  
one year later

\*assets above RO

\*\*25% recurring excess, 10% after yr 4